



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was 4.0 percent in November 2003. This was three-tenths of a percentage point lower than the October 2003 rate and one-tenth of a percentage point less than the rate in November 2002. The *Civilian Labor Force* totaled 55,610 workers, up 5,060 or 10 percent year-over-year. The trend of low unemployment coupled with the increase in the *Civilian Labor Force* indicates that job growth, rather than workers dropping out of the work force, caused this positive trend in unemployment.

The total of *Nonfarm Payroll Jobs* for November 2003 was 43,720, which was 300 more than in October 2003 and 2,790 more than in November 2002 for a year-over-year increase of 6.8 percent. The sectors that showed significant increases from November 2002 were *Construction*, *Professional & Business Services*, and *Educational & Health Services* with increases of 9.7, 23.9, and 22.6 percent, respectively. Only one sector, *Utilities*, showed a decrease. All other sectors broke even or had modest growth from last year.

The *Retail Trade* sector grew 3.5 percent year-over-year. In Twin Falls, especially, there were new stores opening. Holiday hiring also was very good this year, which was spurred on by excellent consumer spending. The western Magic Valley economy continued to be a state leader. In addition, retail hiring in the Mini-Cassia area was better than expected. Most retailers showed optimism in the future of the Mini-Cassia area and consumers responded by spending money. The Blaine County economy also showed positive retail strength. A combination of artificial snowmaking and excellent natural snowfall has led to good early tourism bookings and consumers responded in an optimistic fashion.

The large increase in *Construction* jobs year-over-year has provided a positive

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Nov 2003*	Oct 2003	Nov 2002	% Change From Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	55,610	54,870	50,550	1.3	10.0
Unemployment	2,200	2,340	2,090	-6.0	5.3
% of Labor Force Unemployed	4.0	4.3	4.1		
Total Employment	53,410	52,530	48,460	1.7	10.2
Unadjusted					
Civilian Labor Force	55,740	55,100	50,640	1.2	10.1
Unemployment	2,100	1,940	1,990	8.2	5.5
% of Labor Force Unemployed	3.8	3.5	3.9		
Total Employment	53,640	53,160	48,650	0.9	10.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	43,720	43,420	40,930	0.7	6.8
Goods-Providing Industries	8,110	8,170	7,920	-0.7	2.4
Natural Resources & Mining	30	20	30	50.0	0.0
Construction	2,380	2,390	2,170	-0.4	9.7
Manufacturing	5,700	5,760	5,730	-1.0	-0.5
Food Manufacturing	3,670	4,120	3,820	-10.9	-3.9
Other Manufacturing	2,030	1,640	1,910	23.8	6.3
Service-Providing Industries	35,610	35,250	33,000	1.0	7.9
Trade, Transportation & Utilities	10,150	10,290	9,870	-1.4	2.8
Wholesale Trade	1,870	1,840	1,830	1.6	2.2
Retail Trade	5,990	6,090	5,790	-1.6	3.5
Utilities	160	190	210	-15.8	-23.8
Transportation & Warehousing	2,130	2,170	2,040	-1.8	4.4
Information	500	510	490	-2.0	2.0
Financial Activities	1,750	1,760	1,670	-0.6	4.8
Professional & Business Services	6,530	6,380	5,270	2.4	23.9
Educational & Health Services	3,740	3,600	3,050	3.9	22.6
Leisure & Hospitality	3,650	3,730	3,580	-2.1	2.0
Other Services	1,500	1,410	1,450	6.4	3.4
Government Education	3,670	3,570	3,500	2.8	4.9
Government Administration	4,120	4,000	4,120	3.0	0.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

stimulus to the local economy. New stores and office complexes, coupled with a record year in housing starts in Twin Falls, has stimulated all types of construction including heavy construction projects such as road repairs and commercial buildings. Also, new housing construction has been excellent and will continue, at least in the short term, as weather improves and homes are built. The construction jobs tend to pay higher-than-average wages, which is also beneficial to the economy.

The agricultural sector is an area of concern. The recent discovery of mad cow disease in the United States had a quick and negative effect on the beef market. The beef market, which had been on the rise as consumer demand for beef increased significantly for the first time in a long time, suffered ten to twenty percent overall price drops and the foreign export market for U.S. beef dried up virtually overnight. The real test of the market will be how well consumers have faith in new government measures to

minimize the negative impact and how consumers feel concerning overall meat safety. The export market, always shaky, will take some time to restore. The recent Atkins diet trend, which promotes eating high protein foods and minimizing carbohydrate intake, had been stimulating increased demand for meat and this could also help in market recovery. The potato market is also a concern in the agricultural sector. The overall open market has been better than expected, but the French fry market has been extremely soft. The Atkins diet restrictions on carbohydrates has had an impact on the market and has hurt the processed potato market. Also, specialty French fries that may have been treated in beef tallow are coming under intense scrutiny as a potential health risk factor, along with fears generated by the mad cow disease scare. On the positive side, the water outlook is much better than before. Winter snowfall thus far has contributed enough moisture to put most water areas over 100 percent of normal. This needs to continue throughout the winter to meet the water needs of the 2004 growing season. The 2003 sugar beet crop was one of the best quality crops in recent memory. Adequate water and warm temperatures helped a great deal. Other commodity outlooks are average to good. Pork and poultry markets have shown increases as the beef market has had problems. The overall outlook for agriculture is guardedly optimistic.

The overall outlook for South Central Idaho is generally good as well. So far, the water year looks better than it has in the last couple of years, which is good news for agriculture as well as tourism. It is expected that unemployment for the Magic Valley LMA will probably remain in the 4.0 to 4.5 percent range. The diversified economy that has developed over the past three or four years with new technology and light manufacturing sectors, coupled with an optimistic construction outlook at least in the short term, will keep employment stable. Blaine County unemployment should remain in the low 4.0 percent range as tourism outlook has improved and constructions projects continue. Mini-Cassia may dip statistically a little lower in the first part of 2004, but is expected to show slow improvement as new jobs are created. It is doubtful that unemployment will now reach double-digits due to better-than-expected consumer confidence and retail sales. However, it is extremely important to track *Civilian Labor Force* to determine whether workers are giving up finding work and completely leaving the labor force. This, along with underemployment, could be a drag on the area's economy. Also in the short term at least, the economy remains very homogeneous and lacks diversification. This will continue to cause higher unemployment rates in the Mini-Cassia area than surrounding areas due to the traditional nature of food processing and seasonal agricultural employment. It is important for economic development efforts to focus on creating new sectors to modify

seasonal anomalies. Unemployment rates will probably hover in the 6.0 to 7.5 percent range for the combined Cassia-Minidoka LMA.

AREA DEVELOPMENTS

Twin Falls County

- Dollar Tree, Inc., a chain of discount variety stores based in Chesapeake, Virginia, has leased space in the Lynwood Mall at the corner of Filer Avenue and Blue Lakes Boulevard in Twin Falls and will open a store in March 2004. The store sells variety products at one dollar or less. It is expected that Dollar Tree will employ 25-30 full- and part-time workers.
- Twin Falls-based PSI Waste Systems, formerly owned by Allied Waste Industries of Scottsdale, Arizona, has split from the parent company and reverted back to private ownership after six years. PSI Waste Systems will now serve as the corporate headquarters for the new company, PSI Environmental Services. PSI Waste Systems currently has 41 local employees and the formation of the new company will add five to seven additional workers as the company forms a corporate accounting center.

Camas, Gooding, Jerome, and Lincoln Counties

- The Billingsley Creek Lodge in Hagerman became the first Magic Valley business to be recognized on the website of the Association of Small Business Development Centers for its excellent service and hospitality. The Idaho Small Business Development Center in Twin Falls nominated the business as one of its success stories, and it was selected for national attention. The owners remodeled and hired new employees in 2002. The lodge features six motel rooms, two cottages, a ten-space mini-storage facility, and tens spaces for recreational vehicles. A separate building doubles as a conference room or as a lounge with a hot tub.
- St. Benedicts Family Medical Center officially assumed responsibility for ambulance service in Jerome County from Magic Valley Regional Medical Center. Jerome County has launched its own ambulance district and has contracted with St. Benedicts to operate the service. The ambulance service will be staffed by two-person crews (one paramedic and one emergency medical technician) 24 hours a day, seven days a week. There will be five full-time workers and 12-15 part-time and on-call workers.

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